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ABSTRACT

In the past the task of vocational educators has been to prepare people, especially youth, for known employment opportunities, but today we must be concerned about the adequacy of employment opportunities. The vocational system has paid too little attention to self-employed persons who discover and create their own jobs. These entrepreneurs are essential to economic vitality. There is a parallel need to create more entrepreneurial work opportunities inside existing organizations. The time has come to focus national attention on education for self-employment. We should (1) re-examine public policy to see how government may be discouraging small business formation, (2) enlarge our manpower policy conceptions to include self-employment incentives, (3) encourage business to redefine employment in entrepreneurial terms, and (4) learn now to modify educational programs to prepare people for entrepreneurially defined work. (CSS)

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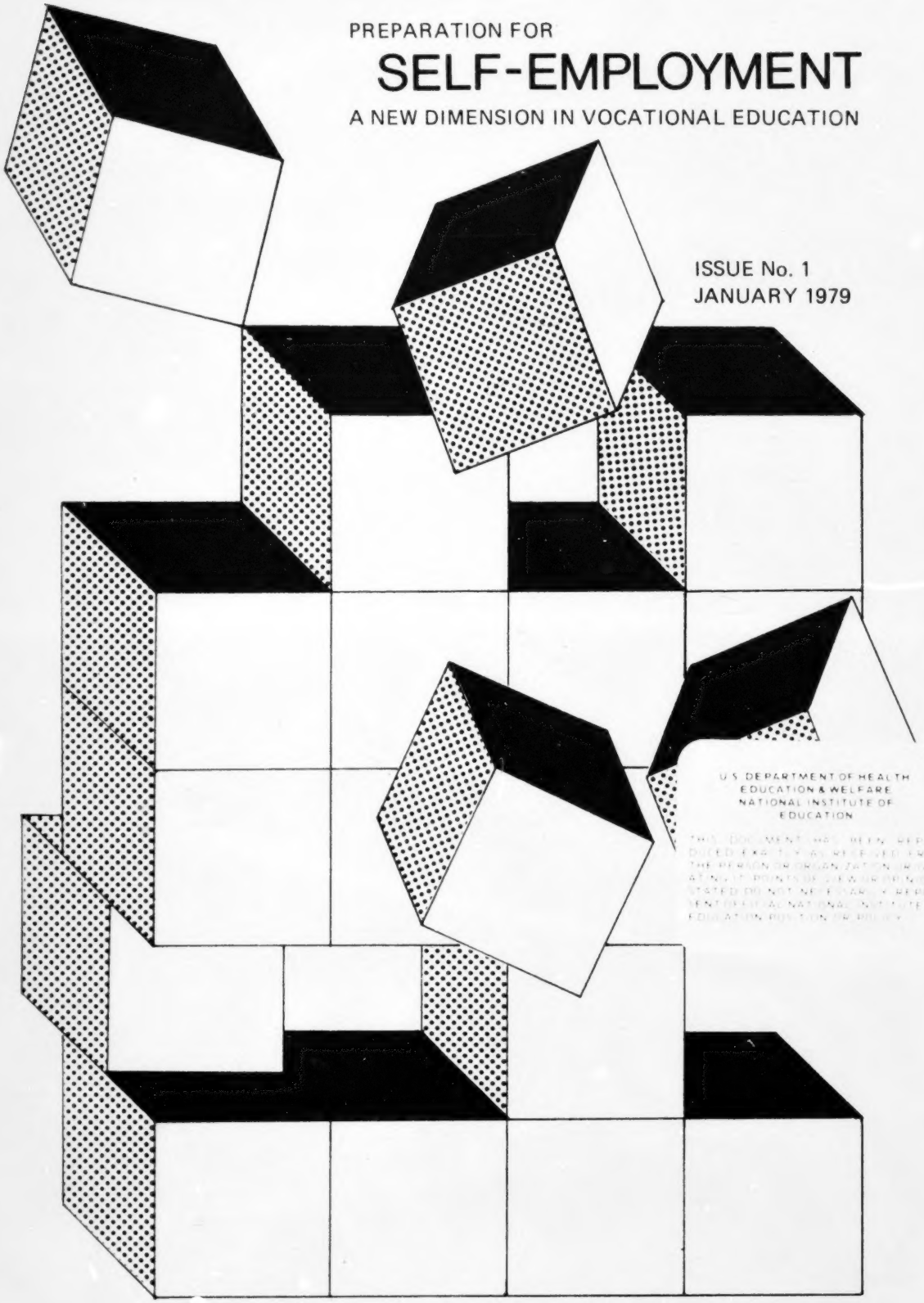
PREPARATION FOR

SELF-EMPLOYMENT

A NEW DIMENSION IN VOCATIONAL EDUCATION



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In addition, the National Advisory Council is mandated to provide technical assistance and leadership to State Advisory Councils on Vocational Education, in order to assist them in carrying out their responsibilities.

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PREPARATION FOR SELF-EMPLOYMENT
A New Dimension in Vocational Education

A Report of the
National Advisory Council on Vocational Education

January 1979

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To the President and the Congress of the United States:

The National Advisory Council on Vocational Education, as part of its proposed plan of work for 1979 and 1980, is undertaking a broad-ranging investigation focusing on the question, "What Should be the Federal Role in Vocational Education?"

As part of that effort, the Council will publish a series of Issue Papers dealing with topics of particular concern to vocational education. I am pleased to submit to you Issue Paper No. 1 on Self-Employment. The Council believes that entrepreneurship activity is a by-product of the vocational education experience which should be more strongly developed. The creation of small businesses in our service-oriented economy can have a significant impact in providing new jobs. Vocational education should give encouragement and training to aspiring entrepreneurs, to assist them in establishing and expanding their own business.

John W. Thiele
Chairman

PREPARATION FOR SELF - EMPLOYMENT
A New Dimension in Vocational Education

Vocational education has been extraordinarily successful in fulfilling its traditional role of providing skill training to students at all levels to prepare them for existing jobs.

Since passage of the Vocational Education Amendments of 1968 and 1976, vocational education expenditures and enrollments have burgeoned. Today, more than one-third of the nation's high school students take vocational subjects, and more than fifty percent of the nation's community college enrollment is in occupational programs. Total enrollments have more than doubled since 1968, from 7.3 million to over 15 million. Federal expenditures under the Vocational Education Act have increased from $262 million in 1968 to $674 million forward funded for 1980. By 1976 (most recent published figures), state and local dollars were matching the federal dollar nearly 10 to 1, for a total federal/state/local expenditure of $5.1 billion.

Vocational Education is also, with increasing effectiveness, dealing with the special problems of the handicapped, the disadvantaged, sex stereotyping, and persons of limited English-speaking ability. It has also been especially successful in working with the private sector to provide work experience through cooperative education programs. Each year, nearly 700,000 students participate in cooperative education/work programs.

Obviously, vocational education has made, and continues to make, an enormous impact in providing job skills. What it has done, it has done well.

Due in part to the constraints of the legislation, however, vocational education has done little to reach out and explore new concepts beyond the traditional role of preparing students for available jobs. It has not realized its full potential in the whole area of job stimulation and job creation.

The task of vocational educators has been to prepare people - - particularly young people - - accurately for known employment opportunities.

But we cannot work in a vacuum. We cannot prepare people for jobs that don't exist. So vocational educators must be concerned about the adequacy of employment opportunities.

There is gathering evidence that the American economy is losing its legendary ability to provide employment opportunities. We see chronically high levels of unemployment persisting even in periods of economic expansion. And the burden is selective; it falls heaviest on those least able to bear it - - the young and the disadvantaged.

There can be few more serious shortcomings in a society than a failure to provide a reasonable supply of suitable employment opportunities. Yet the last time our youth unemployment rate was less than 10% was twenty years ago. More and more, our young people's first exposure to the real weather of a free society is failure to find a job they feel is suitable. No wonder fewer than fifteen percent of America's young people feel they are part of the free enterprise system, according to a recent survey.

Elsewhere in the world, rising levels of youth unemployment are producing terrible results in countries where this alienation has reached a certain critical mass and intensity. (The International Labor Organization estimates that, worldwide, 50 million young people - - as many as England's whole population - - come of age every year - - 120,000 every day.)

The problem here and abroad is already critical and getting worse. It is clearly beyond the reach of present public policy. Education can not create employment - - nor can a manpower policy built on training or even on so-called public service job "creation."

Because public service jobs are not self-financing and require tax support, they can only be considered a high-cost palliative until a solution can be found. Clearly we need to find some new directions.

At the center of the problem is an apparent anomaly: there is a mounting agenda of work to do - - but not enough jobs. We need better houses, better clothes; we need to rebuild our cities; we need better, more durable products which meet higher esthetic standards. We need to develop whole new sources of energy. We need to conquer the unconquered diseases. There is surely no shortage of work.

Clearly then, there is growing friction at the point where work translates into jobs. It is time for policy-makers to consider the advantages of preparing people not for jobs - - which will always be scarce, but for work - - which will always be abundant.

The vocational system has paid far too little attention to the people who discover work on their own, who create their own employment, the people we call self-employed.

These entrepreneurs are absolutely essential to economic vitality. What we call economic growth is at bottom a process of continuous economic renewal through change. Small businesses are the principal pioneers of change and growth. Big businesses are not the source of economic growth; they are one of the results of growth. Large businesses tend to perfect and refine conventional methodologies, but the major changes are usually introduced by upstart outsiders.

Society is coming to a new appreciation of the essential role of the individual entrepreneur. Study after study shows that smaller businesses are the primary source of new ideas, new economic growth and new work. Yet education pays little deliberate attention to preparation for self-employment. And the rate of formation of new businesses has plummeted in the last five years.

There is a parallel need to create more entrepreneurial work opportunities inside existing organizations.

Management once saw its task as directing the activities of large numbers of jobholders. The role of education to some extent derived from that concept - - educators trained people to hold jobs.

Now we are beginning to see some corporations move to re-shape themselves into entrepreneurial conclaves in which employees are more and more self-directing. The problem of management is perceived less as getting people to do what they are told to do, but to inspire them to do what they cannot be told to do - - to undertake imaginative new work instead of merely performing closely supervised jobs.

Education has neglected a responsibility to help prepare people for entrepreneurial employment - - either on their own or inside larger organizations.

The time has come to focus national attention on education for self-employment and to re-study education and manpower programs in the light of its decisive importance.

We need to reduce to actionable specifics the vision of a society in which the

work that needs to be done is more automatically and efficiently translated into employment opportunities.

More specifically:

- We should immediately re-examine public policy to find out how government at all levels may be discouraging the formation of small business, and then propose reforms.

- We should enlarge our conception of manpower policy to include and emphasize suitable incentives for self-employment.

- We need to encourage business to accelerate its search for ways to re-define employment in more entrepreneurial terms.

- We need to know how educational programs can be modified to prepare people for entrepreneurially-defined work. We know surprisingly little about where entrepreneurs come from, what they are like and how education might better nourish and instruct the entrepreneurial impulse.

That impulse has enormous potential. Over 4 million new jobs were generated in 1977. According to the Economic Report of the President (1978), self-employed workers accounted for a relatively large number of those jobs. After growing at a fairly steady 1.1 percent per year from 1967 to 1976, the number of self-employed workers in the nonagricultural sector increased by 5.6 percent in 1977, accounting for over 10 percent of the net employment growth for the year.

Each self-employed individual who succeeds and prospers, if properly directed, is the potential nucleus of a new small business enterprise which could generate five to ten or more additional jobs.

We know there is movement out there in this area of entrepreneurship activity. We are aware that many diverse organizations and groups are looking at this phenomenon. We know about business management courses in the agribusiness field. We know of some of the activities of the vocational student organizations, and of individual schools. We have heard the anecdotal success stories.

But we have little in the way of hard facts and data.

We enlist the reader's support and assistance in helping the Council gather additional information. If you are aware of data, studies, instructional programs, research projects, program operations, or individual examples related to entrepreneurship activity on a national, regional, state, or local basis, please contact the Council staff.

The Council believes that the job creation potential of vocational education has not been realized and acknowledged. It is a new dimension in vocational education which must be discussed, explored, and developed. We urge the public's participation in that process.

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